

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

## PLIFE REIT SUSTAINS UNINTERRUPTED DPU GROWTH IN 2H AND FY 2023

- *Distribution Per Unit (DPU) grew 2.1% and 2.7% to 7.48 cents and 14.77 cents for 2H 2023 and FY 2023 respectively*
- *Healthy gearing level of 35.6% with no long-term debt refinancing needs till March 2025*
- *Achieved a portfolio valuation gain of S\$15.8 million<sup>1</sup>*

Total Portfolio	2H 2023	2H 2022	Variance	FY 2023	FY 2022	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	<b>73,065</b>	<b>69,797</b>	<b>4.7</b>	<b>147,467</b>	<b>129,972</b>	<b>13.5</b>
<b>Net property income</b>	<b>69,000</b>	<b>65,832</b>	<b>4.8</b>	<b>139,084</b>	<b>121,868</b>	<b>14.1</b>
<b>Distributable income to Unitholders</b> (net of amount retained for capital expenditure)	<b>45,257</b>	<b>44,308</b>	<b>2.1</b>	<b>89,341</b>	<b>87,004</b>	<b>2.7</b>
<b>Distribution Per Unit (cents)<sup>2</sup></b> - DPU for the period/year - Annualised DPU	7.48 14.96	7.32 14.64	2.1	14.77	14.38	2.7
<b>Annualised distribution yield (%)</b> (based on closing market price of S\$3.67 as at 29 December 2023)	<b>4.08</b>	<b>3.99</b>	<b>2.1</b>	<b>4.02</b>	<b>3.92</b>	<b>2.7</b>

**Singapore, 1 February 2024** – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT” or the “Group”), one of Asia’s largest listed healthcare REITs, is pleased to announce DPU of 7.48 Singapore cents

<sup>1</sup> Total net change in fair value of investment properties recognised in statement of total return is a loss of S\$11.2m after taking into consideration the impact from straight-line rental adjustment and amortisation of right-of-use assets which amounted to S\$27.0m.

<sup>2</sup> In computing the Distribution per Unit, the number of units in issue as at the end of each period is used.

for the second half year ended 31 December 2023 (“2H 2023”) and 14.77 Singapore cents for the full year ended 31 December 2023 (“FY 2023”).

Gross revenue for 2H 2023 and FY 2023 increased 4.7% year-on-year (“y-o-y”) to S\$73.1 million and 13.5% y-o-y to S\$147.5 million respectively primarily due to contribution from the properties acquired in 2022 and 2023, higher rent from the Singapore hospitals under the new master lease agreements<sup>3</sup> and partially offset by depreciation of the Japanese Yen.

Correspondingly, the Group achieved a net property income of S\$69.0 million for 2H 2023, an increase of 4.8% y-o-y, and S\$139.1 million for FY 2023, up 14.1% from FY 2022.

### **Fortified Presence in Japan**

During the year, PLife REIT fortified its presence in Japan’s aged care market with the acquisition of two new nursing homes in Osaka Prefecture. These yield-accretive acquisitions marked the initiation of a new strategic partnership with K.K. FDS, an established real estate developer in Japan, at the same time, enhances tenant diversification with a new operator and brings the Group’s total Japan portfolio footprint to 59 properties aggregating to S\$717.2<sup>4</sup> million in value.

This committed presence to a market that recognises the strong demand for health and aged care facilities reaffirms PLife REIT’s strategic direction and fortifies the foundation for developing further local market partnerships.

Following the acquisition, PLife REIT has an enlarged portfolio to 63 quality healthcare properties in Singapore, Japan and Malaysia. An annual independent valuation performed for all properties brought about a portfolio valuation gain (net of Capex) of about S\$15.8 million of the total portfolio. As at 31 December 2023, PLife REIT’s total portfolio size stands at approximately S\$2.23 billion<sup>5</sup>.

### **Robust Capital Structure, Prudent Financial and Risk Management**

Despite the macroeconomic uncertainties and challenges in 2023, the Group successfully secured a total of six committed and long-term new facilities, comprising a mix of SGD and JPY loans (the “New Facilities”). The proceeds from the New Facilities will be largely used to

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<sup>3</sup> Effect of recognising rental income on a straight-line basis over the lease term of the investment properties i.e. effective rent. There is no distribution impact arising from effective rent treatment.

<sup>4</sup> Appraised values based on exchange rates as at 31 December 2023.

<sup>5</sup> Based on latest appraised values (excludes right-of-use assets).

finance the renewal capex works at Mount Elizabeth Hospital, pre-emptively refinance the maturing loans due in 2024 and 2025, as well as term out the short-term loan drawn down for Japan acquisitions. With that, the Group has no immediate long-term debt refinancing need till March 2025.

On an ongoing basis, the Group manages interest rate risk by hedging long-term committed borrowings using interest rate hedging financial instruments or issuance of fixed rate notes to strengthen PLife REIT's resilience against interest rate hikes. During the year, the Group successfully issued a 7-year JPY3.5 billion notes at attractive fixed rate of 1.28% per annum to term out an existing fixed rate note ahead of its maturity and executed several interest rate swaps (including forward-starting swaps). With close to 90% of its interest rate exposure hedged by end 1Q 2024, PLife REIT remains well-insulated from the interest rate vulnerabilities. To manage foreign currency risk, the Group adopts a natural hedge strategy for its Japanese investments to maintain a stable net asset value and has extended its JPY net income hedges for another 2 years till 1Q 2029 to shield against Japanese Yen currency volatility.

As at 31 December 2023, PLife REIT reported an all-in cost of debt of 1.27% and interest cover of 11.3 times<sup>6</sup>. Gearing remains optimal at 35.6% well within the regulatory gearing limit of 50.0%.

Commenting on the results, **Mr. Yong Yean Chau, Chief Executive Officer of the Manager**, said: "Despite the increasingly challenging market environment, the Group has managed to sustain and grow our DPU for FY 2023 through strictly adhering to our focused and prudent strategy of targeted investment, proactive capital management and strategic asset recycling and development. This has allowed us to create even greater value for our unitholders whilst building on the Group's strength to fortify portfolios. Amidst the macroeconomic uncertainties and challenges, PLife REIT remains well positioned and resilient in 2024 with our portfolio of well-diversified high quality and yield accretive properties across Singapore, Japan and Malaysia."

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<sup>6</sup> Applicable to Adjusted-ICR as prescribed under the MAS' Property Funds Appendix. PLife REIT has no hybrid securities as of reporting date.

### **About Parkway Life REIT**

Parkway Life Real Estate Investment Trust (“PLife REIT”) is one of Asia’s largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 63 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.23 billion<sup>5</sup> as at 31 December 2023. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 59 assets of high-quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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#### **Important Notice**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as Manager of PLife REIT, or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PLife REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.